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CENTRAL INTELLIGENCE AGENCY  
INFORMATION REPORT

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COUNTRY	USSR	REPORT	
SUBJECT	The Ministry of Foreign Trade	DATE DISTR.	8 October 1954
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THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.  
THE APPRAISAL OF CONTENT IS TENTATIVE.  
(FOR KEY SEE REVERSE)

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On page 1, paragraph 1a, Ministry of Interior Trade should read Ministry of Internal Trade.  
On page 2, paragraph 4, Soyuzprodexport should read Soyuzprodeksport.  
On page 5, paragraph 11, Transportation Department should read Transportation Division. Railway Ministry should read Ministry of Transportation, and Ministry of Merchant Marine should read Ministry of the Maritime and River Fleet.

Comments

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1. The personnel departments (divisions) described on pages 2 and 4 probably come under a personnel directorate, which was previously reported to consist of Divisions 1-4, Visa Division, and Auditing Division.
2. The Planning, Administration, and Trade Agreements Departments were previously reported to be directorates.

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25 YEAR RE-REVIEW

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1. [redacted] the organization of the  
Ministry of Foreign Trade was as follows:

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a. Minister of Foreign Trade -- a member of the USSR Council of Ministers. He was directly subordinate to one of the deputy minister presidents who was in charge of several ministries: Ministry of Foreign Trade, Ministry of Interior Trade, GUSIMZ, and probably some other government agencies on the ministerial level.

b. There were several deputy ministers. [redacted]

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- (1) Deputy for Imports
- (2) Deputy for Exports
- (3) Deputy for GUSIMZ
- (4) Deputy for Personnel

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There were the following directorates, departments, and sections within the Ministry:

2. Inspectorate of Ministry of Foreign Trade (Inspektsiya Pri Ministerstve Vneshney Torgovli). Head unknown. There were approximately 20 employees on duty with the Inspectorate, including a classmate of Source from the Institute of Foreign Trade, Dimitriy YERMOLOV. The Inspectorate was responsible for investigation of complaints, reports, illegal activities and similar matters concerning subordinate agencies and officials of Ministry of Foreign Trade.
3. Export Directorate. Head unknown. This directorate was composed of a large number of sections [redacted] and a considerable number of employees. The responsibility of the directorate was formulating the policies and coordinating the export activities of various All-Union Associations handling USSR exports. According to established procedure, the annual state export plan prepared by the Ministry of Foreign Trade Export Directorate included all exports to foreign countries by the USSR during the following calendar year. This plan, once approved by the Ministry of Foreign Trade, was sent to the USSR Council of Ministers where it was coordinated with the State Planning Commission (GosPlan) and approved by the Ministerial Council. Once approved, the export plan was adhered to rigidly, especially with regard to the fulfillment of planned export quotas. If there were changes in quotas during the export year, they could be approved only if they were increases and never if they were decreases in established quotas, since the latter would result in a partial nonfulfillment of the plan.
4. Import Directorate. Head unknown. This directorate was responsible for organization and coordination of imports in a way similar to that of the Export Directorate. The general tendency was to import a minimum of goods and to export a maximum. However, the USSR, being only one partner in the international trade, could not make the sole decision. Foreign countries, in making trade agreements, usually attempted to balance their exports and imports to and from the USSR, and the USSR could not help but accept imports. However, nothing was lost on such deals by the USSR since very heavy import duty was levied on imported goods and they were resold on the USSR internal market at an enormous profit. For example, 500% import duty was levied on coffee. The All-Union Association SoyuzProd-Export, importing such coffee, would pay the duty and then sell the coffee to the Ministry of Foreign Trade with a certain profit; the Ministry of Foreign Trade would then sell it to the wholesale government enterprise, again with a profit; and the wholesale enterprise would again sell it at a profit to the retailers. The net profits from all participating groups eventually collected at the Finance Ministry.
5. Foreign Personnel Department (Otdel Zagranichnykh Kadrov). In 1951 BARMYANTSEV was head of this department. The department was responsible for processing personnel assigned to duty in foreign countries. Foreign bound personnel were authorized to take their dependents and children up to school age with them. School-age children had to remain in the USSR. This regulation was put into effect after World War II because of unfavorable experiences with Soviet children educated in foreign countries after their return to the USSR. ([redacted] sometime after World War II there was a riot in the dormitory in Moscow for children of Ministry of Foreign Trade employees serving abroad. The riot was caused by [redacted] Soviet children who did not like the regime to which they were subjected in this dormitory. Allegedly, the riot ended with a fire which was started in a dormitory building by a group of these children.) The normal length of a tour of duty for the

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Ministry of Foreign Trade in Europe was two years minimum

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GUSIMZ members abroad, until 1953, had no definite tour of duty, but at this time it was set at four years maximum. However, this regulation was never adhered to in practice.

6. Because of certain peculiarities of the Soviet bureaucratic system, a pool of Soviet officials who serve abroad off and on has been created, especially in the post-war period. This is true with regard to the Ministry of Foreign Trade, GUSIMZ, and allegedly for the Ministry of Foreign Affairs and other government agencies since conditions leading to this situation were similar throughout the Soviet administrative apparatus. The fact is that Soviet government employees who occupy important and well-paid positions in fields where they may progress are completely disinclined to accept any appointment abroad since, after the expiration of their tour of duty abroad, they would find their former positions occupied by new people already established and getting ahead. A returnee would usually be offered a lower position than he held previously and he would have to start his climb all over again.
- there was nothing in this policy which would tend to indicate any degree of distrust felt by the Soviet administration toward returnees from abroad.
- this situation was due solely to the consequences of a peculiar feature of Soviet officialdom, the often unscrupulous actions of officials in getting personal benefits at the expense of their fellows. This was the reason that high government employees, unless a job in a foreign country provided great advantages which would amply compensate for losses incurred after returning, would normally use all their influence to avoid a foreign assignment. Employees in medium positions did not have so much to risk in this regard and were more inclined to accept foreign appointments. Of course, an intention to go abroad or a willingness to accept an appointment was never expressed, not even at the formal interview where such a project was discussed. As a matter of fact a willingness to accept a foreign appointment was the best way of avoiding it. Nobody in the USSR would send a man abroad who expressed his desire to go. Thus, the interview usually developed into a kind of show in which the person interviewed tried to create the impression that he was dead set against leaving the USSR, supporting his story with all possible and impossible reasons -- wife's job, school-age children, an apartment finally obtained in Moscow, the importance of the work he is now doing, his wife's sick aunt, and, of course, a deep feeling of animosity toward anything which smells foreign. Most interesting is the fact that the person interviewed and the interviewer both knew that this was a show, namely, that the interviewer knew that the candidate would love to spend a few years abroad and the candidate knew that his interviewer was fully aware of this fact. Yet the "show" is necessary. It is an inalienable part of the required "good manners" of Soviet officialdom. Anyway, having spent several years abroad and, after returning, being assigned some new, usually lower position in the USSR, such an official is not very happy. It would take quite some time to establish himself in his new position and begin to get ahead. At the same time, he has acquired a taste for the "capitalistic way of life" which, of course, he would never admit. After a certain period of time more people are to be sent abroad. Again, well-established officials succeed in avoiding an assignment and there is often no other solution than to offer these positions to those who have been abroad before. The usual show-type interview receives a repeat performance, and the candidate finally accepts the position offered and goes abroad for the second, third, or fourth time.

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7. Supervisory Personnel Department (Otdel Rukovodyashchikh Kadrov). Head unknown. Approximately five or six employees worked here. In 1951 Tamara MOROZOVA and Oleg IZYUMOV were on duty as inspectors. Both were graduates of the Foreign Trade Institute. The department was responsible for handling personnel matters of Ministry of Foreign Trade employees from the position of section chiefs (Nachal'nik Otdela) up. Graduates of the Foreign Trade Academy automatically entered this group of personnel of the Ministry of Foreign Trade. Since in order to enroll in the academy, candidates had to attend a university or institute, to work in some capacity related to the Ministry of Foreign Trade for at least three years, and then complete the full course at the academy, the graduates of this academy were usually 32 or 33 years of age. Those Ministry of Foreign Trade employees who did not attend the academy could enter this group by serving with the Ministry for a certain period of time and getting periodic promotions which would elevate them to this group. As a rule, college education was not required of supervisory personnel in Ministry of Foreign Trade; a predominant part of such personnel, however, had a college education. A relatively small number of employees belonging to this group were sent abroad, unless they belonged to the "pool" described in the previous paragraph.
8. Operating Personnel Department (Otdel Operativnykh Kadrov). Head unknown. There were approximately six or seven employees. This department was in charge of personnel matters of rank and file personnel of the Ministry of Foreign Trade. Except for stenographers, typists, and similar clerical personnel, the majority of rank and file personnel of the Ministry of Foreign Trade had college educations. The greater part of employees sent abroad by the Ministry were recruited from this group.
9. Department of Educational Institutions. Head unknown. There were approximately four employees in this department. This department was responsible for administration of educational institutes of the Ministry of Foreign Trade:
  - a. Academy of Foreign Trade
  - b. Institute of Foreign Trade
  - c. Fur Institute
  - d. Foreign Language School
10. Foreign Trade Academy.
11. Institute of Foreign Trade 2.
12. Fur Institute. This institute was located in a suburb of Moscow. Exact location unknown. It was organized for the purpose of training commercial fur experts. The length of the course at the institute was presumably three years. The enrollment was approximately 50 students annually. A large number of candidates rejected by the Foreign Trade Institute enrolled in the Fur Institute. Graduates were sent most often to the Leningrad Fur Auction House for duty. This auction house was located in Leningrad on Vasil'yevskiy Ostrov. Every six months there was an auction sale held in this house which was attended by fur buyers from all over the world.

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13. Ministry of Foreign Trade Foreign Language School. This school was created within the Ministry in compliance with MIKOYAN's pre-war directive which stated that every employee of the Ministry of Foreign Trade (except clerical and auxiliary personnel) is required to know at least one foreign language. The school was located in the ministerial building and lectures were attended by ministerial employees. The full length of any language course was four years divided into eight semesters of six months each. Lectures were given for 1½ hours daily during office hours. After completion of each semester and the six-semester course, students were required to pass an examination. Those who passed the six-semester examination were given a five per cent increase in salary. There was another examination given after completion of eight semesters and graduates were again given a five per cent increase in salary which was valid for two years. In order to keep the raise, the employee had to pass a language examination every two years. Before World War II the principal languages taught by the Foreign Language School were English, French, German, and Spanish; after World War II Chinese was given a predominant role. A large number of foreign trade employees (mostly those already speaking English) were simply ordered to study Chinese. At the same time, courses were introduced in Czechoslovak, Polish, Hungarian, Rumanian, Bulgarian, Albanian, Serbo-Croatian, and Greek.
14. Transportation Department. Head unknown. Responsibilities included organization and supervision of SoyuzVneshTrans; planning of transportation; liaison and cooperation with the Railway Ministry and Ministry of Merchant Marines in transporting Soviet exports and imports.
15. Legal Department. Head unknown. In 1951 the deputy head was Vadim Ivanovich LISOVSKIY. The department was composed of two sections:
  - a. Anglo-Saxon countries.
  - b. Other foreign countries.

The former was responsible for all legal matters originating in countries where the Anglo-Saxon code of law is practiced and the latter for those countries in which the Roman code of law is practiced. Changes in the code of law in foreign countries were closely followed and analyzed in the Legal Department of the Ministry of Foreign Trade.
16. Commercial Department. Head unknown. This department was responsible for overall direction of commercial activities of the Soviet trade missions abroad and all-union associations conducting business in foreign countries.
17. Planning Department. Head unknown. This department was responsible for planning foreign trade on a USSR scale and supervision of planning activities of organizations mentioned in the previous paragraph.
18. First Department. (Secret Documents Department). This department was responsible for classified correspondence and security service within the Ministry.
19. Protocol Department. This department was responsible for the organization of receptions for foreign dignitaries, minutes of conferences, and similar matters.

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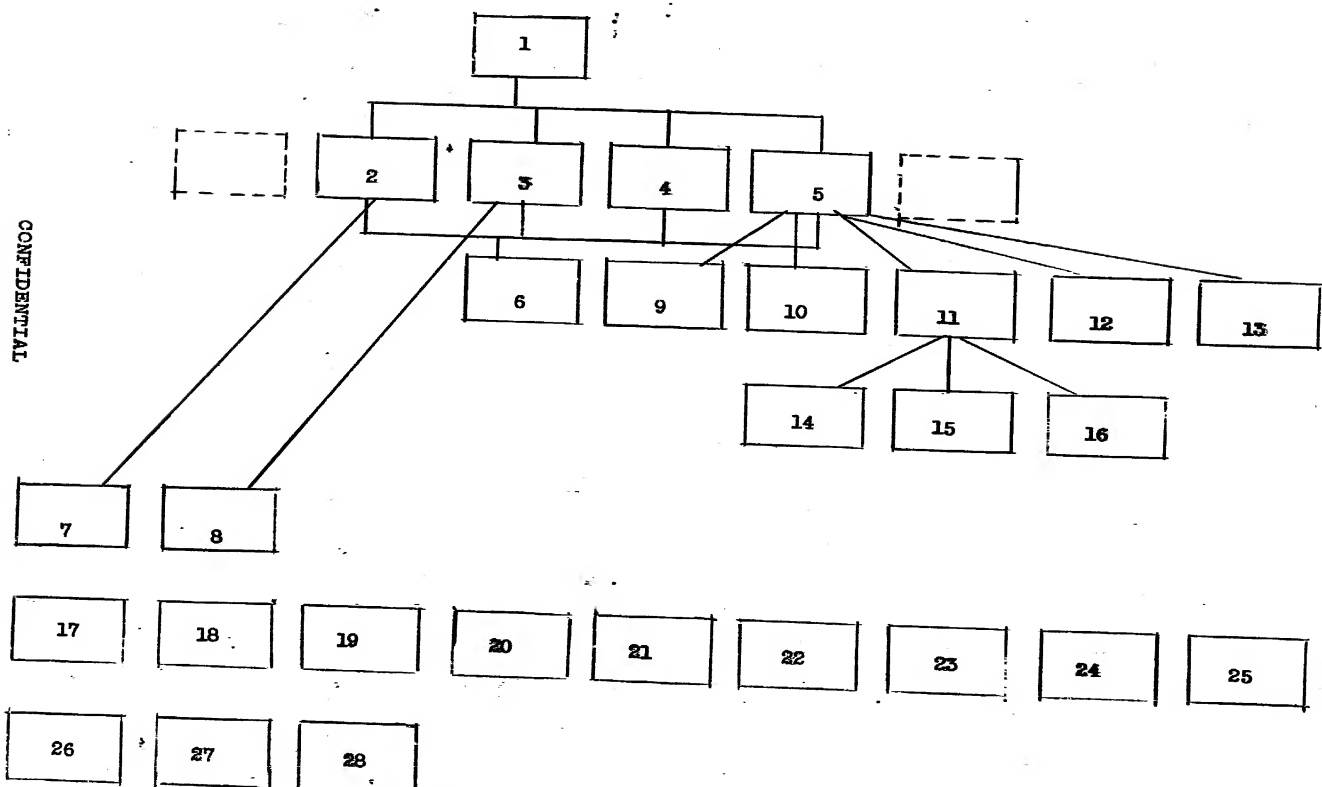
20. Administration Department. This department had the normal functions of an administrative department of any government organization.
21. Trade Agreements Department. In 1954 the head of this department was ALEKSANDROV. The department was responsible for the drafting and approval of and supervision over the fulfillment of Soviet foreign trade agreements. The department was also responsible for safekeeping of the originals of all valid trade agreements with the USSR.
22. Finance Department. Normal functions of any finance department. No further information.
23. In addition to those mentioned above, there were a number of foreign country departments within the Ministry of Foreign Trade which were responsible for trade activities with individual foreign countries and directed and supervised the responsible USSR trade missions (TorgPredstvo). [redacted] within the Ministry there was a German Department, a Polish Department, and a Czechoslovak Department.

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Annex A: Organizational chart of the Ministry of Foreign Trade

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Organizational Chart of the Ministry of Foreign Trade

1. Minister
2. Deputy for Imports
3. Deputy for Exports
4. Deputy for GUSIMZ
5. Deputy for Personnel
6. Inspectorate of the Ministry of Foreign Trade
7. Export Directorate
8. Import Directorate
9. Foreign Personnel Department
10. Supervisory Personnel Department
11. Department of Educational Institutions
12. Operating Personnel Department
13. Foreign Language School
14. Institute of Foreign Trade
15. Academy of Foreign Trade
16. Fur Institute
17. Transportation Department
18. Legal Department
19. Commercial Department
20. Finance Department
21. Planning Department
22. First (Secret Document) Department
23. Protocol Department
24. Administration Department
25. Trade Agreement Department
26. German Department
27. Polish Department
28. Czechoslovak Department

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